GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4186
ANSWERED ON:04.05.2007
OVERDRAFT BY STATES
Singh Shri Dushyant

Will the Minister of FINANCE be pleased to state:

(a) the overdraft position of States as on March 31, 2007, State-wise;

(b) whether the Union Government has written to the State Governments to reduce the overdraft;

(c) if so, the details thereof;

(d) whether any State Government has made better financial management and reduced overdraft during 2005-06 and 2006-07; and

(e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN MINISTRY OF FINANCE SHRI PAWAN KUMAR BANSAL

(a): The overdraft position of the State Governments as on 31.3.2007 is given in the Annex. Only two States namely Kerala and Nagaland went into overdraft in 2006-07 as compared to 8 States in 2005-06.

(b)&(c): No, Sir

(d)&(e): Yes, Sir. As against 8 States going into an overdraft in 2005-06, only 2 States got into overdraft in 2006-07. The States of Maharashtra, UP, Assam, Manipur, Meghalaya, as well as Uttarakhand which went into overdraft in 2005-06 managed to avoid an overdraft position in 2006-07. Further the average utilization of the Ways and Means advance by State Governments both of the normal and special kind was lower and happened on much fewer occasions in 2006-07 when compared with 2005-06. Details are at Annex.